after the hon. Minister makes his statement, let us convert it into a structured discussion.

THE DEPUTY CHAIRMAN: The same suggestion came from Shri Sikander Bakht in the morning before he left. I think, he wants to say the same thing.

विपक्ष के नेता (श्री सिकन्दर बख्त): थैंक्यू वैरी मच सदर साहिबा, प्रनब जी ने जो तज़वीज़ रखी है मैं उसकी ताईद करता हूं। मैं उसको सपोर्ट करता हूं और समझता हूं मुनासिब यह है कि सब्जेक्ट का विस्तार बहुत है और स्टेटमैंट और क्लेरिफिकेशन से बात नहीं बनेगी। इसलिए डिस्कशन शुरू किया जाए तो बेहतर होगा।

†श्री सिकन्दर बख्त: थैंक्यू वैरी मच सदर साहिबा - प्रनब जी ने जो तजवीज़ रखी है मैं उसकी ताईद करता हूं - मैं उसको सपोर्ट करता हूं और समझता हूं मुनासिब यह है कि सब्जेक्ट का विस्तार बहुत है और स्टेटमैंट और क्लेरिफिकेशन से बात नहीं बनेगी - इसलिए डिस्कशन शुरू किया जाए तो बेहतर होगा -]

DR. BIPLAB DASGUPTA: I also agree.

THE DEPUTY CHAIRMAN: I was in touch with the Lok Sabha. I have sent word to them that we are going to start it at 4 O'clock. If they can spare half an hour to us, then we can finish the discussion in two and a half hours. Let us see what they can do about it. But, in any case, we will have to make one more request. Our Finance Minister's Bill has been listed. I have taken an assurance from Members that as soon as this discussion is over, we will take up that Bill and clear it today. He has a technical problem to get this Bill passed here and then go to the Lok Sabha. Mr. Chidambaram, there is an assurance that your Bill will be passed today, however late we have to sit. The Minister also agreed to this arrangement.

Now, I will call Mr. Ramaiah.

†[ ] Transliteration in Arabic Script.

STATEMENT BY MINISTER

India's Stand in Singapore Declaration of World Trade Organisation

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH): Madam, as the Hon'ble Members of this House are aware, the First Ministerial Conference of the World Trade Organisation was held at Singapore from 9—13 December 1996. This Conference was held in Compliance with Article IV: 1 of the Marrakesh Agreement Establishing the World Trade Organisation which stipulates that the Ministerial Conference shall meet at least once in every two years. There are currently 128 Members of the WTO, in addition to 34 Governments and 49 international organisations having observer status.

The major focus of discussions at Singapore pertained to the future work programme of the WTO including new issues. The new issues included:

i. Core labour standards;
ii. Investment
iii. Competition policy.

There was also discussion on the information Technology Agreement sponsored by the QUAD countries, namely, USA, Canada, European Community and Japan.

I now wish to apprise the Hon'ble Members in some detail about the outcome of the discussions at Singappre on these new issues.

In relation to the issue of Core Labour Standards, there had been a move by certain important countries to secure a mandate at Singapore *for initiating a work programme in WTO to examine the linkages between trade and internationally recognised core labour standards.*

India's position, along with that of many other developing countries, had been that while individual countires are fully committed to the observance of labour rights and promotion of labour welfare through their domestic policies, the issue of labour standards at the international level is a subject which needs to be addressed only by the ILO and that the question of use of trade measures to enforce labour standards should be forthrightly rejected. The same view had also found a mention in the Harare Communique of the G-15 leaders in November, 1996. I am happy to inform the Hon'ble House that a positive consensus decision was reached on the subject at Singapore Ministerial Conference as reflected in the following paragraph forming a part of the Declaration:

> "We renew our commitment to the observance of internationally recognised Core Labour Standards. The International Labour Organisation (ILO) is the competent body to set and deal with these standards, and we affirm our support for its work in promoting them. We believe that economic growth and development fostered by increased trade and further trade liberalisation contribute to the promotion of these standards. We reject the use of Labour Standards for protectionist purposes, and agree that the comparative advantage of countries, particularly low-wage developing countries, must in no way be put into question. In this regard, we note that the WTO and ILO secretariats will continue their existing collaboration."

Since the Ministerial Conference of the WTO is the highest decision-making body of the organisation, the foregoing statement clarified WTO's attitude to the question of Labour Standards. This has given to the developing countries a substantial reassurance that the Labour Standards issue will not be used against them for protectionist purposes, either now or in the future . The developing countries, including India, which finally supported this formulation felt that the same result would not have been achieved, had the above stipulations only been embodied in the Chairman's Concluding Statement rather than having been incorporated in the Ministerial Declaration itself.

In early, 1995, the Organisation for Economic Cooperation and Development (OECD), which represents 28 developed countries, agreed to initiate negotiations amongst OECD countries for drawing up a Multilateral Agreement on Investment to facilitate investment flows. A few months later, certain delegations presenting prominent OECD countries started suggsting infromaly in the WTO that instead of such an Agreement being working out by the OECD, which they may subsequently put forward for adoption by all WTO Members, it would be better to take up similar work in the WTO itself where both developed and developing countries are represented.

The Indian response to these suggestios has consistently been that:—

i. Any Agreements which are worked out among OECD countries concern such countries and cannot have any automatic relevance for all WTO Members.

ii. While investment may have some trade linkages, it has much stronger development linkages and implications and the organisation best suited to analyse the trade as well as developmental dimensions of investment is UNCTAD.

iii. It is for each individual country to decide as to what should be its policy regime for attracting foreign direct investment and no single investment framework can meet the specific requirements of countries which are at different stages of development.

iv. If any attempt is made to liberalise the flow of investment capital ac-

ross countries, it must be accompanied by an equally liberal policy for the movement of labour which is another major factor of production.

At the Singapore Ministerial Conference, the sponsoring countries namely Canada and Japan, with the support of all the developed countries as well as a number of developing countries, actively pursued their proposal of starting an educative process to look at all issues connected with investment, considering the trade and investment linkage. The Indian delegation stated unequivocally that we could not agree to any new mandate being given at Singapore to start any examination of the investment issue and that we would prefer these matters to be first looked into by UNCTAD. In my Plenary Statement on December 9, 1996, I had clearly stated that WTO should confine itself to issues of trade and should not try to encroach on matters relating to the domestic production systems in Member countries. I had also stated that national investment policies solely fall with in the competence of the natioal governments. *As a result of the strong stand taken by us on this subject, the sponsors and supporters of the move to start investment related studies in WTO had to scale down their position and to go along with a proposal formulated by the Conference Chairman with the advice of the WTO Secretariat that the study could only be taken up within the existing framework of the WTO Agreements including the specific provision in Article 9 of the TRIMS Agreement.* Article 9 of the existing TRIMS Agreement in WTO (Trade Related Investment Measures) reads as under:—

> "Not later than five years after the date of entry into force of the WTO Agreement, the Council for Trade in Goods shall review the operation of this Agreement and, as appropriate, propose to the Ministerial Conference amendments to its text. In the course of this review, the Council for Trade in Goods shall consider whether the Agreement should be complemented with provisions on investment policy and competition policy".

Even in relation to any studies to the undertaken under existing WTO provisions, we insisted that such studies should not automatically lead to any process of negotiations and *that the decision to go in for negotiations at a future date, if at all, must be based on the explicit consensus of the WTO Members, I wish to inform the Hon'ble House that by specifying that the work on trade and investment relationship should only be carried out within the framework of the existing WTO Agreement and provisions there under and that this study should not lead to any negotiations without a fresh, explicit consensus, India has not only fully preserved but further strengthened its rights regards any future work in this very sensitive area of investment.*

The outcome with regard to Competition Policy issue which is also required to be studied in the same context of the *existing WTO provisions* can similarly be deemed satisfactory from India's point of view. In the final Ministerial Declaration, it has been explicitly stated that the Working Group on Competition Policy will also deal with anti-competitive practices. Inclusion of anti-Competitive practices at the insistence of developing countries like India was made despite the strong opposition of certian developed countries. Therefore, developing countries will have an opportunity to raise the issue of restrictive business practices of transnational corporations, as well as trade policy measures having anti-competitive effects, like anti-dumping action initiated by developed countries against imports from developing countries.

In the area of proposed further liberalisation where some countries had put farward the idea of evolving a plurilateral Information Technology Agreement, we had taken the view that strengthening of

the global information technology infrastructure would be generally beneficial and, therefore, subject to the interests of domestic producers being adequately safeguarded, India could consider joining the programme of phased tariff reductions. At the same time, India had also raised the issue during plurilateral discussions that if the global information technology infrastructure was to be strengthened, the rules for movement of skilled persons working in this sector should also be liebralised. It turned out that because of both paucity of negotiating time as well as the limited coverage that India was able to consider , we did not join the IT Agreement, which was initiated by a group of countries at Singapore.

I do hope that the foregoing facts and circumstances narrated in my Statement will satisfy and reassure the Hon'ble Members that our national interests have been fully safeguarded at the Singapore Ministerial Conference and that India has left no one in doubt about its principled positions on certain issues which we intend to stoutly maintain in the future as well. It will be seen that it was not India which compromised its stand in any manner vis-a-vis its core interest but the other countries which had been seeking *new mandates* in the areas of investment and core labour standards which had to very substantially moderate their position in the face of stiff position put forward by India and some other countries.

THE DEPUTY CHAIRMAN: Now we have paucity of time here also, and we want to have a meaningful, structural debate. I would like the Members to abide by their party's time. the Congress Party has got 55 minutes; the BJP has got 27 minutes; 15 minutes to Janata Dal, and so on and so forth. I feel that if you can confine yourselves to that, then I can see to it that it is finished in $2\frac{1}{2}$ hours and then we will have some proper reply.

DR. MANMOHAN SINGH (Assam): Madam Chairperson, I am grateful to the hon. Minister for the Statement that he has made on the outcome of the WTO Ministerial Meeting at Singapore.

Madam, international economic relations are not a morality play. They are essentially power relations, and one has to recoginise that the world that we live in is a world characterised by an asymmetry of power relations and from this, certain conclusions follow. First and foremost, we have to ensure that we help to create a world order, a multilateral world order, which is rulebased, and not deal-based, and where might is not right Therefore, it is in the interest of the developing countries including India to strengthen the multilateral organisations like the multilateral trade organisations of which we are a member right from its inception as in the case of GATT.

Secondly, international economic relations are also, as I said, a replay of power relations. Developing countries are placed at a certain disadvantage. But to the extent we can combine, to the extent we can co-ordinate our positions with other developing countries, to that extent we can reduce the consequences of asymmetry in power relations in the world. Yet, I think, whether it is CTBT or the Singapore meeting, one has to recognise that many developing countries are not able to live up to the expectations that they are often after. At Harare the powerful group of fifteen had taken a particular stand and from the newspaper reports that I saw I learnt that when finally it came to though negotiations India and Sri Lanka were left to hold out and countries like Malaysia and Indonesia were in a mood to go along with the final consensus that was placed on the table by developed countries. Therefore, while I am all in favour of working with other developing countries, evolving a consensus, a common position, in the final analysis India must recognise that many of the countries are subjected to international pressure, many of them have their own perceptions of their national interest and, therefore, in the same way, India should also work out a

strategy recognising that world economic system is not a system entirely to our liking. There are risks and we must make every effort to minimise those risks. At the same time, there are opportunities and we must make every effort to maximise our opportunities. This, I feel, is a general proposition which, I feel, will be acceptable to all sections of the House.

Madam, at this Singapore, I would certainly have liked the Ministerial meeting to pay more attention to the review of the Urgugay Round, what has been achieved in the last two years, for example, we find that in 1996 the world trade has very substantially slowed down. Why has the world trade slowed down? What can be done to revitalise the flows of world trade for the benefit of both developed and developing countries? At the same time, developing countries were not satisfied with the outcome of the Uruguay Round on matters relating to multi-fibre agreement. They were not satisfied with regard to the treatment of least developed countries emerging from the Uruguay Around. We certainly would have liked more time to be spent on the existing issues to push the system, as far as it could be, to liberalise world trade in favour of the developing countries. Unfortunately, the balane was on the other side. The agenda, particularly with regard to the new issues, was essentially as framed by the developed countries. That, of course, cannot be helped. As I mentioned, asymmetry of power relations is a fact of life. Even then, I think, the final outcome of the meeting cannot be considered as something which is againt India's interest taking into account all the forces at work. But it has to be recognised that, shorn of all qualified language of the declaration, it is apparent that investment and competition policies are now on the agenda of the WTO. It is certainly true that no binding commitments have been made on the relations between investment and trade. This is a subject-matter which will be explored in a working group and the report of the working group will come before the ministerial body, the same ministerial body, two years from now and it will be as a result of explicit consensus. It has been agreed that if negotiations have to take place, they will be as a result of this explicit consensus.

Therefore, for the time being we have protected our interests. But the fact, is both investment issues and competition policies which are on the agenda of the WTO are also a warning that in the next two years we have to do a lot of work at the technical level and we have to see how we can safeguard our interests. We cannot take a view that we will simply stand aside for then we will be faced with a fait accompli. I think it is important that the implications of inclusion of investment policies, inclusion of competition policies, the implications of all these issues should be examined carefully in our country in the next two years. We should also enter into a dialogue with like—minded developing countries and liked—minded developed countries so that the outcome of the working group is not one sided; The investment group certainly would seek to liberalise the investment regime of developing countries. However there is also an opportunity in the sense that competition policies being placed on the WTO agenda enable developing countries to restart the process of negotiations which some years ago took place under UNCTAD with regard to the restrictive business practices of multinational corporations. Therefore, this opportunity of competition policy review should be used by us and other developing countries to highlight those policies of multinational corporations which detract from the effectiveness of the rule of competition. There is a great deal of literature in UNCTAD and in the Transnational Centre of the United Nations. All this literature ought to be carefully studied by our Government so that this competition policy review can be an ocassion for us to role back some of the adverse effects of the working of the

present economic system. Madam, with reagard to the labour standards, the outcome on the whole can be considered as satisfactory from India's point of view. The Declaration states that countries are commited to the observance of internationally recognised core labour standards; that they agree not to use labour standards for protectionist purposes; that the comparative advantage of low-wage developing countries would not be put to question and that the ILO is the competent body to discuss the issue. According to the Chairman of the Conference, Mr. Yeo Cheow Tong of Singapore, the Ministerial Declaration will not permit, 'The WTO to study the relationship between trade and core labour standards.' I think that is a definite gain. But having said, that, today a lot of propaganda is going abroad. Our position on the labour standards should not be misunderstood. We don't want the labour standards to become a device of protectionist policies to harm our exports. But we as a democracy are committed to freedom of expression, freedom of organisation. Unlike some countries, we respect the right of our workers to free collective bargaining. Trade unions are an integral part of our social democracy. Even in the area of child labour our Constitution commits our country to ensure that all our children up to the age of 14 years should in schools. When we oppose the labour standards being discussed in the WTO, it is not that we are inherently opposed to the concept of fair deal for our labour. It is because, as I mentioned earlier, we live in a world of asymmetrical power relations. We are afraid that the labour standards will be misused to impose protectionist barriers. That is the reason why we oppose the labour standards issue being brought into the WTO, not that we are opposed to the concept of a fair deal for labour, a fair deal for our children. It is very important that our Government and other agencies should explain our position so that there is a proper appreciation of India's position abroad. Madam, regarding, the likely impact of the declaration, much will depend on the way the working-group approach their task of examining the link between trade and competition and trade and investment policies. As I have already mentioned, we have two years and in these two years, we must intensify the technical work, we must intensify our contracts with other like-minded developing countries as well as other developed countries because some of them may themselves feel that in the asymmetric power system that is now on the horizon, it is advantageous for some developed as well as developing countries to come together to see that the system operates in a much more equitable manner. Overall, it is my impression that the outcome of the Singapore meeting cannot be considered entirely unsatisfactory. But two years from now, what happens, when the report of the two working—groups come before the next ministerial meeting? Our bargaining position will very much depend upon how our economy evolves. I think, if India manages to grow hereafter at the rate of 7 to 8 per cent per annum, the world will respect us. If our economy is in shambles, if the progress of economic reforms is seen to be slackening, there is a danger that the pressure on India will increase. In the final analysis, for the problems of a country of India's size and India's complexities, there are no international solutions. We have to strengthen our economy. We have to ensure that India grows at the rate of 7 to 8 per cent per annum so that the world has a vested interest in our prosperity. When we start growing at that rate, the world would take us seriously, whether it is the IMF, the World Bank or the WTO. With these words I thank the hon. Minister for the clarifications that he has given us in his statement.

THE DEPUTY CHAIRMAN: I believe that the BJP has asked Mr. Ashok Mitra to speak, in that order ...*(Interruptions)*...

SHRI ASHOK MITRA (West Bengal): Madam, I am grateful to friends across the beneches for allowing me this opportunity to speak out of turn. In any case, I am now accustgomed to speaking out of turn. So, you will kindly permit me ...*(Interruptions)*...

SHRI TRILOKI NATH CHATURVEDI (Uttar Pradesh): I have the allowed *guru* to have the first say.

THE DEPUTY CHAIRMAN: Mr. Ashok Mitra, they have given you the place but not the time. Your party's time is 10 minutes. So, you have to accommodate it between you and other members.

SHRI ASHOK MITRA: I am at your mercy.

THE DEPUTY CHAIRMAN: Not at my mercy. The Minister has to go to the Lok Sabha. The Minister for Parliamentary Affairs has just told me that he has to go. This will not go on. There is no point in arguing. This is my final word. He has to go back from here, whether anybody finishes his speech or not. No point in arguing. Please start.

SHRI ASHOK MITRA: I will try to be as brief as I can be. (i) I was tickled when my friend, Dr. Manmohan Singh ended with a double negative—"The conclusions at the Singapore meeting were not altogether unsatisfactory." I wish I could go along with him. But I have to be very careful in choosing my words because I have a great affection for the Minister of Commerce. He is a good friend of mine and I do not want to hurt him because I know he is a victim of circumstances. Now let me again quote Dr. Manmohan Singh. "The agenda for the Singapore meeting were set by the developed countries." If you go through the text, it is amazing—all the targets are in the direction of the developing countries. There is hardly anything mentioned in this long communique which suggests that the developed countries will have to do this, this and this. It is the United States agenda which was there and these two major items, labour standards and linking investment with trade were very much what the United States wanted. This is where I think we have to look into the background a little bit. The United States has emerged as a leading international bully. It does not observe any of the rules of the WTO. It continues to maintain those special and super laws and they have gone on record that where United States trade legislation comes in conflict with the WTO rules, it is the American legislation which will prevail. Now it is this nation which is now dictating to the rest of the world, whatever impression my friend Dr. Manmohan Singh used, that global rules of free international trade are going out. They do not believe in free international trade. They try to define free international trade in a particular manner. Let me mention something to the hon. Members. About three months back, the United States' House of Representatives passed a very odd resolution. If any individual or party infringes an American patent, infringes American security, the FBI can move against such an individual who infringes American security. So, suppose we in India do not recognise that American patent, then they will accuse us of being responsible for infringing American security. Will they do it? Some American judge has delivered a judgment that if any person anywhere in the world is guilty of infringing American security, then the American security agents have their right to arrest this person anywhere in the world and in the course of implementing this arrest if this person resists, he can be killed. He can be shot down by the FBI. Do you call this regime free international trade? These are the people who are savages who want to enforce the law of the jungle on the rest of the world. Now again we gave a pledge to ourselves, we gave a pledge to the other developing countries that we will accept the linkage between trade and investment and we would not be dictating with Americans what appropriate labour standards should

be. They should first take care of appropriate labour standards within their own country. What do they pay to their black workers, what do they pay to their women, before they come lecturing to us about labour standards? We know why they mentioned these things. We have out problems. In any case we would not accept this for our own reasons. We are a free, independent, nation. We must decide what our investment laws should be, whom we should accept, whom we should invite to come and whom not to come, on what terms to ask them to come and not to come, etc. etc. And we are not going to go in for what the Americans or others dictate. This was our position. Now what happened in our country? What happened exactly in the sequence of events? Now there are certain things about which I will take the hon. Members in this House into confidence. About four months ago some of our parliamentarians set up a Forum of Parliamentarians to deal with WTO related issues. We tried to make it as broad as we could have made it cutting across party lines. There was one particular party whose Members could not draw in. I had a talk with one or two Members like Mr. Hanumanthappa and I had a very good hope that it would become an umbrella organisation of all parliamentarians. We called on the Prime Minister in the first week of October and we had a very pleasant exchange with the Prime Minister about what might happen in Singapore. He agreed with us. He assured us that whatever decision the Government of India would take would be after discussions with this forum and on the basis of consensus. A second decision was taken and an important functionary in the Government, who is a Member of the Planning commission in-charge of international economic affairs, who has a long experience—he has been the finance Secretary of this country; he has been the Commerce Secretary and he was also our Ambassador during the long, awkward, arduous days of negotiations on the Uruguay Round—was to act as our co-ordinator with whom we would liaison and with whom officers of the Government of India would liaison. It is all important. On the basis of this, an arrangement was made. This arrangement was going on smoothly. We had been discussing with this co-ordinator. It was at our suggestion that the Government of India gave a very strong support to the Ministerial Meeting. All the Commerce Ministers came here and a pledge was taken to the effect that we should oppose these two provisions, relating to traderelated investment measures, and labour standards at Singapore. Following this meeting, there was a meeting at Harare where we were greatly encouraged by the Prime Minister's very positive statement. Then, we had organised, our Forum had organised, an international conference which was attended by the representatives of 30-odd countries, including the United States. In this conference, we took a pledge that we would work closely with one another in order to ensure that the super power and its friends did not try to impose unequal rules on the developing world. What happened afterwards? What went wrong afterwards? Finally there was a Cabinet meeting. We read in the newspapers that there was a Cabinet meeting and the meeting suggested, "No, we will resist these two particular measures". Now, as far as the information I had been able to gather is concerned, there was a telephone call from Singapore to this gentleman who is acting as our co-ordinator. This was sometime on Wednesday evening. It said, "See, we are under pressure. Others are deserting us. So, you have to go along." Our co-ordinator was very firm. He said, "No, we do not have to go along. Merely because our ranks are thinning, we don't have to deviate from our principle. We should do as we did in the case of CTBT. Even if we are isolated, that is not a matter for getting scared. That is a matter of pride that we are sticking to our principles." We did not give in to the international bullying. From Singapore, all that was said was, "Okay, we will get back to you". Our co-

ordinator, I am told, did not hear anything further from Singapore. What happened? Did a Cabinet meeting take place on Wednesday or Thursday or afterwards? Had any consultation taken place with the Cabinet Committee on Economic Affairs? Did anybody consult our own Minister of External Affairs? After all, external affairs include external economic affairs also. He was the Chairman of the Standing Committee on Commerce wherein he dealt with the issue exactly as it should be dealt with. Did anybody consult the Home Minister? He is one of the senior-most political leaders in the country? How was this decision taken? I think the country deserves to know about what happened. Since you are asking me to conclude, I would not go further into this matter. However, I have to mention one point.

Madam, we are a parliamentary democracy where politicians take decisions. Politicians, inside this House, this Parliament, pass laws. You know that we have strong reservations about, for example, the patent legislation which the WTO regime wants to impose upon us. We have resisted that. What happened was—this is where the country's case goes wrong—that some time on Monday or Tuesday, a senior civil servant made an astounding statement in Singapore about the patent laws. He said, "I too will pass the patent laws. You know, we have a bunch of politicians who have to be educated. Once these politicians are educated, we will pass those laws." It is quite accepted that civil servants have the prerogative to run down illiterate politicians but they can do so only in private, not in public forums, and not when speaking on behalf of the country. So, we have got to do something about this matter.

There is a final issue but, I would say, I hope we recognise the distinction between unanimity and explicit consensus. And this is what I am addressing to my friend, the Commerce Minister. This is a unanimous declaration and already the Director General of WTO on Friday said, "In about two years we are going to start negotiations over new investment regulations". He did not allow any grass to grow because he is now armed with the unanimous resolution. If only we had not signed and we had said, "No, thank you, we stay aloof, we stand on our principles", then the unanimity handle would not have been there with the WTO. Now, what will happen at the end of two years is that the working group, which is their kid, will prepare whatever they want to prepare and then they will try to pressurise us because there is unanimity. But there is no unanimity. There is consensus on the Working Group.

But we are a great nation. We are a nation of 900 million people. We are strategically important. We are industrially a very important nation. We can be bullied if only we allow ourselves to be bullied. And this is a lesson. You see, there is the question of political education. We have to call in our senior civil servants and tell them that if this country goes down into ruin, it is not on account of the politicians, it is on account of the cowardice that has been demonstrated by some of our senior civil servants.

I would make one final request to the Government to kindly see to it that when a senior civil servant retires from Government he is not allowed to join any international organisation for the next three to five years. Thank you.

SHRI PRANAB MUKHERJEE (West Bengal): Madam Deputy Chairperson, the hon. Minister in his statement has highlighted the issued which were brought before the first Ministerial meeting at Singapore. We, from the developing countries, expected that it would provide an opportunity to review certain areas, particularly the flow of goods and services from the developing countries to the developed countries. There are some sort of protectionist policies adopted by the developed countries to restrict uniterrupted flow of goods and services, particularly the tardy implementation of the multi-fibre arrangement which is of vital

interest to the developing countries. But, as has been pointed out, the agenda was mainly dominated by issues on which we had to defend and protect our declared stand instead of initiating any issues which were of vital interest to us. In one way, I must say, so far as core labour standards are concerned, the Ministerial declaration has strengthened our position in the sense that unless another Ministerial declaration by a Ministerial meet which assembles after two years from now, nullifies it, as per the text of the declaration no other country can bring these issues in the WTO forum. Of course, every Ministerial Conference is a sovereign body — which is the highest policy making body of the WTO — and it can undo the decisions of the previous Ministerial declaration. But, in regard to two other issues, if we could work hard right from now, perhaps, we can derive certain advantages from the negotiations. And here, Madam Deputy Chairperson, we shall have to take a view on this; we shall have to recognise certain facts. The hard core fact is the world is unequal; not only unequal, it is cruel to some of the developing countries and less developed countries. The hard core fact is that in 1994 — I don't have 1995 figures with me — out of the total international trade of 3,900 billion US dollars, about 2,900 billion US dollars was accounted for by only 20 countries. therefore, the rest of the members of the WTO — now it has 128 members — almost 108 countries accounted for the balance and 60 per cent world trade was accounted for by only 20 countries. This is the reality.

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There is no voting pattern or decision making pattern like the IMF and the World Bank on the holding of quota and share, here each country is having one vote. So far as WTO is concerned, it is a positive improvement, but at the same time, it is equally a hard fact that the total trade turnover all over the world is being dominated by only a small number of countries—only 20 countries — and most of them are developed. China is within these first twenty countries and so far as economy is concerned, it is going to emerge as a new super-power very soon. Therefore, the basic question is as to what our approach should be. Should we disengage ourselves in these negotiations or talks or parleys or should we effectively negotiate to contribute and try to get as much mileage as we can.

Madam, it is not desirable or time would not permit me to raise the issues, the process, the attitude, the approach which we had during the last seven years of tortuous negotiations on Uruguay Rounds of talks. Many a time we took a position and said that this is our position and we are not going to yield from this position. It is almost like 'accept it or reject it.' There was nobody to accept it

and we found that the friends on whom we depended collapsed one by one. Ultimately, the advantages which would have emerged from these hard negotiations, from taking a position and engaging ourselves deeply into these negotiations and this process, we lost that opportunity, and a situation was created and in which we were placed whereby textiles, agriculture and many other issues were brought withing the purview of the World Trade Organisation. Therefore, I am talking particularly with reference to two study groups which are going to be related in regard to investment and competition policies. We should not simply stick to a stated position and satisfy ourselves on that. We should actively engage ourselves in the negotiations and talks in building up a strong support base, identifying the common interests.

I would have been happier if the Harare Declaration had been fully implemented — the Harare Declaration of G-15. But I know the story and I would not like to repeat it. Ultimately, what happened in Singapore, who collapsed first and who followed thereafter is hot relevant. Therefore, what is needed is this. We should not simply feel happy saying, "Oh! this is just a study and it will not have any implications in future." Normally, what happens in these international negotiations is this. It is like the camel putting its nose first and then entering into the tent and occupying the whole tent.

First there should be this study and thereafter is strong and serious public opinion will be created in favour of the conclusions of those studies. Then there will be a pressure for entering into some sort of negotiations on the basis of the conclusions of those studies. Therefore, we have to engage ourselves from the very beginning. As and when the situation demands, definitely, the parliament can be taken into confidence, the experts group as referred to by Dr. Mitra, can be taken into confidence and a public debate can be raised. But, that is a different thing. What I am trying to raise here is that we must constantly engage ourselves and not disengage ourselves by declaring a stated position because here we have a vital interest. It is true that as per article nine of the trade-related investment matters — which was signed and which is a part of multilateral trade negotiations, which has established the World Trade Organisation — we are required to conduct studies. Perhaps we could have deferred it up to 1999. But, there was no way as per that article that we could defer the studies for a long time. There was a cogent argument as to why UNCTAD should have it. The cogent argument was that it is in the interest of the developed countries to link investment with trade. But, trade is not the only aspect of investment rather development is also equally an important aspect of investment. So far as the investment decision is concerned, there cannot be any strait — jacket formula which could be negotiated and on the basis of which certain rules can be framed by an organisation like the World Trade Organisation. Therefore, the position which the Minister took in his plenary statement in the Singapore Conference is absolutely right that we do not want to have a situation where investment decision will ultimately be left to a trading organisation which does not have that type of competence to frame rules in regard to the investment flow. It will depend on the socio-economic conditions prevailing in the country. It will also depend on the policy of the national Government. Therefore, this is an area where we shall have to work hard. Here I do feel that we can trade off as we calibrated the MFA with TRIPs in Urugua Round of discussions. Similarly, I would like to recommend to the Government that in these two studies we should try to see that we if we are to give in on anything in trade and investment then we should also be equally compensated by resorting to strong measures agasinst unfair business practicies pursued by the multinational corporations. As these two studies

are going to be completed within two years, side by side one should have a trade off, if necessary. If you want to have hard bargaining, if you want to have effective engagements in negotiations, then to my mind, it would be important and we should try to do that. I do agree with Dr. Manmohan Singh that after all your bargaining capacity depends not on lofty principles and high ideologies but on the hard cold fact as to what our GDP is, what your international trade turnover is, what our income is and what our technological development is. Therefore, these are the areas on which we shall have to concentrate very seriously. I am not advocating on any issue. I am trying to draw the attention of the Minister to one complication, the implication of which is going to happen. Today the Starred Question on the issue did not come up for answer as the questioner was absent. Now, the United States of America has formally lodged a complaint with the WTO against India for its non-compliance of its obligation under the TRIPs agreement. As per the agreement, we are to provide EMR, exclusive marketing rights for a period of 5 years to a patent holder and also the 'mail-box' facilities to receive the patent applications.

3.00 P.M.

I am not going into the merits of this. Madam, I will take just two minutes to conclude.

THE DEPUTY CHAIRMAN: No. I am not telling you anything, I am only looking at the Starred Question part.

SHRI PRANAB MUKHERJEE: What I am going to say is that as per rules the process of consultation was over in July. As per the disputes Settlement Understanding, the process of consultation was over by July. Then they made an application to the Disputes Settlement Body in W.T.O. for setting up of a panel and I understand that the panel was set up on 20th November — as per the answer given by the hon. Minister in reply to a Starred Question to say. Of course, we will make our representation. We will try to justify why we could not do that. This is beside the point, but the fact remains, if they go for retaliation — the Eurpoean Union is also a co-petitioner to this application — if they go for retaliation, what is going to happen? What would be the consequences? If the country is prepared to face the consequences, then let them face it consciously, knowingly. But, we should not live under the illusion that nothing can happen. After all, these two — USA and European Union — are accounting for a little more than 1/3rd of our total international trade U.S.A. alone is accounting for 16% and the European Union is accounting for almost 33%. Therefore, about 48% of our total international trade is accounted for by one group of countries — European Union — and another individual country — U.S.A. The point I would like to make is, whatever decision we take we have to take consciously, as we did in certain cases. Even we took the risk of being isolated. But that decision was taken consciously. Therefore, let us not talk merely with a mind-set and with fixed objectives from which we cannot move. After all the world is moving. If we cannot move, if we cannot adjust, if we cannot readjust ourselves with the changing situations, I think, the world will not wait for us. So far as the conclusions of the Singapore Ministerial Meeting are concerned, I must say that serious efforts have been made to protect our interests so far as core labour standard is concerned. But we should not simply sit idle because at any point of time, it may come up again because this is one area where a serious crisis is coming in the developed countries. In fact, in the textile industry, there is bound to be a flight of capital from the developed countries to the developing countries. We may say it or we may not say it but the hard cold fact is, one of the competitive advantages which we have is relatively cheap labour, compared to other countries. Of course, in textile industry, we have technological advantage also. therefore, if the flight of capital takes place in the textile sector

from the developed countries to the developing countries, naturally it is not merely the interests of the factory owners or the owners of the trans-national companies, but it is interests the trade unions concerned there in which will be affected. Many trade union leaders came and pleaded even about that type of thing. Therefore, we shall have to take note of these factors and the point which I am trying to make is, we must engage ourselves deeply in negotiations, in conversations and we should try to sell our points, not merely by passing resolutions or expressing good will and intentions, high hopes and ideologies.

What happened to the Harare communique? Just a couple of weeks ago we said so may thing. We said nothing should be done; UNCTAD is the only competent authority. But, those countries, almost all the G-15 countries, are Members of the W.T.O. But, we could not stick to what we said in Harare. Ultimately, the national interest comes to prominence and it is rightly so. After all, what is foreign policy? Foreign policy is to propagate the national interest. Therefore, we shall have to protect our national interest. We shall have to engage ourselves, not dis-engage, and we shall have to engage ourselves seriously and deeply. Thank you.

SHRI K.R. MALKANI (Delhi): Madam Deputy Chairperson, we have heard the Commerce Minister's statement on the Singapore Declaration with the attention it deserved. He seems to be satisfied with it; and he expects the country too to be satisfied with it.

Madam, I am afraid, even some of his own colleagues are not satisfied. The hon. Finance Minister said in the other House the other day that there was some unhappiness in his mind over some of the things agreed to in Singapore. His own Commerce Secretary had said that some of the compromises effected in Singapore were — I quote — "not in India's interest". How does he expect the country to be satisfied with it when even his colleagues and his underlings are not satisfied with it?

The Government had put up a very bold face, saying that they would not agree to any reference to labour conditions and investment opportunities. But on both these counts, the Government has surrendered. The excuse is that there would only be a study of these things. Are these people going to study this matter for a doctoral thesis? Under the same excuse, we have allowed insurance companies to come in to "study". We have allowed American lawyers to come in to "Study". The idea is clear. These are the miners and sappers of multinational corporations; the Government has simply yielded to their pressure.

Even Egypt and Pakistan, Madam, stood up to an extent. They said that there should be no reference to these two things in the Singapore Declaration. On the other hand, it is the Indian delegation which surrendered on this. I understand Pressure. I understand occasional bowing before pressure. But why did you lend your support to these things? Why did you make these things unanimous?

I am sorry to say this. The Government seems to have a certain philosophy of life. The philosophy is — some people believe in it — 'if rape is ineviatable, relax and enjoy it'. This is what the Government is doing. Why could you not take a decision and give a note of dissent?

Madam, the foreign companies are very vocal in saying that they are not having a level-playing field in our country. But the reality is, there is no level-playing field for the Indian companies, Indian corporations. On everything — on component after component — it is the multinationals, it is the foreign countries, which have the advantage. They have more capital, more technology, more markets. All the international institutions are there. Right from the IMF, the World Bank and the United Nations, all

the internatinal institutions are in the USA. On top of all this, comes their political, military and diplomatic pressure on us. Therefore, their saying that there should be a level-playing field is like the wolf saying that there should be a level-playing field between it and the lamb.

Again, I am sorry to say that these multinational corporations, these multinational companies, have their Govt's working for them. The US President acts something like the chief executive officer of these multinational corporations. When the former U.S. President, Mr. George Bush, went to Japan, his first utterance was: 'jobs; jobs; jobs'. It is not the President who is running the Government in the US. The real Government there is the multinational corporations. The Government is only acting as their agents.

The worst part of this Singapore Declaration is what is known as the 'Information Technology Agreement'. Now, some people are very good at couching very nasty things in very very nice terms. 'Information'—we all welcome information. 'Technology'—is unexceptional. 'Agreement'— we all agree. It is amazing what this thing means. What we have agreed to is something very unusual, very extraordinary. It has been decided that on electronic items—computer-related and telecommunication items; there are as many as 300 items—all countries would have to stop levying any custom duty on their import by the year 2000.

As you know, the US and a few other countries control this $ 500 billion market. How is any country going to come up in this sector in the next three years? All countries are supposed to stop levying customs duty on these items in the year 2000 which is only three years away. Nor is that all.

I must praise the Americans—I must give them credit—for being very candid. They are over-joyed over what has happened at Singapore. They say that this IT is a wonderful agreement and for the first time 300 items have been put together. They themselves says that this agreement will now be the model for future trade agreements and they will now work for maritime shipping and financial services. They say the next turn will come on these. The US President—All joy to him? Long life to him?— is pleased as punch. He rang up the US representative at Singapore, Madame Charlene Barshepsky, and congratulated her on her performance—and he is going to appoint her as his Commerce Secretary.

What the Government of India has done in Singapore is complete surrender. What we have today in India, known as the Government of India, is really behaving as a Government of the multinationals, by the multinationals, for the multinationals. It is a complete set of Mir Jaffers at work! It should be possible for us to say, we will not do this, we will not agree to that. Whey can't we walk out? Why can't we give a note of dissent? China is not a member of the WTO. It wants to join it, but it wants to join it on its own terms.

The difference between India and China is, we are willing to join anything on any terms. China has done very well. Its growth rate is 12 to 13 per cent every year. They are not a member of GATT, they are not a member of WTO. They say they are interested in joining WTO on their own terms, not on American Terms. When will be learn to stand up and when will we have a Government of India which can say, "No, we will not agree to matters that are not in our interest"?

Thank you very much, Madam.

SHRIMATI KAMLA SINHA (Bihar): Madam, I would like to congratulate the Minister for his steering this WTO Ministerial Conference which was held in Singapore from 9th to 13th of December this year. We had some apprehensions about the labour standards. Now, the Minister in his statement here has said that the core labour standards are

basically the affair of the ILO and also it has been part of the Singapore Ministerial Conference Declaration that the ILO is the competent body and it will deal with the labour standards. So this clearly states that the Government is rather very alert about the labour issues also.

The previous speaker was saying that this is a Government of the multinationals, by the multinationals, for the multinationals. I don't know how he visualises these things. Who are the multinationals? We had our multinationals even when we became free. We had our Lever Brothers, we had medical companies like Johnson & Johnson and so on and so forth—I can enumerate the whole list. We had all our multinationals, but they were working under a restrictive regime. And that regime is still there.

Only the other day the Prime Minister was saying in this House that the foreign investment here is only of two billion dollars. But the ball which was set rolling by the previous Finance Minister, Mr. Manmohan Singh, by way of liberalisation of our economy, no Government henceforth can stop. It has to go on. However much we might despise it, we can't undo it. Now we are part of the world family. But I agree with you that India is a developing country, we have our problems and we have many constraints within the country. Take, for example, the Patents Act. We would not like our flora to be patented, for instance.

अगर मैं हिन्दी में कहूं—कि मेरे घर के आंगन की तुलसी, पिछवाड़े का नीम, जो हल्दी हम खाने में पकाते हैं उसकी पेटेंटिंग हो जाए, यह मुझे पसंद नहीं होगा।

But there were apprehensions about that also. So, at one point of time, we were opposing it. I really congratulate the Minister for his positive direction. For example, in para 8, the Minister has said that the OECD wanted a Multilateral Agreement on Investment to facilitate investment flows. They wanted some measures, but, then, the, India did not agree to that. India's position was made very clear. The Minister says that India's response was:

> "Any agreements which are worked out among OECD countries concern such countries and cannot have any automatic relevance for all WTO Members."

India also made it clear:

> "If any attempt is made to liberalise the flow of investment capital across countries, it must be accompanied by an equally liberal policy."

So, we should not have any suspicion about the motive of the Government.

A question was raised that developing countries' interests were not served. The Ministerial Declaration on page 4 very clearly states that integration of developing countries in the multilateral trading system is important for their economic development and for their global trade expansion. In this connection, we shall recall that the WTO agreement embodies provisions conferring differential and more favoured treatment for developing countries. Special provisions have been made for the least-developed and developing countries, for which the Government of India had taken the lead.

So, I really congratulate our Minister for his participation in the Conference. I personally feel that the United Front Government is really doing well in terms of achievements in external affairs. Our Foreign Minister is sitting here. His role in the CTBT and later on in arriving at the agreement on water resources with Bangladesh was really laudable. The Government of India has taken a leading role in the Singapore Declaration. The Government of India is very conscious of the situation within the country and what India should do outside the country. So, the Government of India is very conscious about it. The Minister has taken a leading role. I really appreciate it

on behalf of myself and my party. I congratulate him.

Thank you.

SHRI R. MARGABANDU (Tamil Nadu): Madam Deputy Chairperson, I welcome the Singapore Treaty and our participation in it. Very often there is a very conservative attitude on the part of some political parties to see that there should be no agreement with foreign countries. As a matter of act, three factors, core labour standards, investment and competition policy, have been taken into consideration in this. I think the Government of India has taken a very bold step.

The impression in the mind of the trade unions is that if the wage policy is to be compared with that of foreign countries, we will be at dis advantageous position, but at the same time, our Government must also see that so far as the wage policy concerned, it should be within our limitations, and we should not yield to pressure from foreign countries.

But we should insist that they accept our wage policy. Likewise we should see that while inviting them for competition our indigenous trade is not affected. If these safeguards are ensured, this Treaty can be welcomed.

[Vice Chairman (Shrimati Kamla Sinha) *in the Chair*]

SHRI VAYALAR RAVI (Kerala): Madam, Dr. Manmohan Singh has clarified the position of my party. Still I have some other points which, I feel, need to be explained here.

The Conference at Singapore has created some apprehensions and doubts. Though some clarifications have been given, yet clarifications on some more aspects have to be made.

Even when the negotiations were going on, the social clause and the labour clause were the points of irritation. We felt that the developed nations were using them against the developing nations, especially the least developed nations. They tried to create an impression that the developing countries were opposing them for the purpose of exploiting their own labour. I can very well say that in our country there is a Constitutional guarantee for employment, but in America there is no such guarantee. They can hire and fire anybody at any time. Recently a report had come which said that the Blacks were being discriminated against in the oil industry in Texas. The biggest kind of discrimination has been prevailing in the United States itself and they are arguing for putting a social clause here! In our country the Dearness Allowance is linked to the cost of living index. That is one of the major criteria while fixing the wages. Of course, we cannot take into account the wages that exist in the developed countries. I believe $ 8 is the minimum wage in the United States. We cannot afford that much. Still our standard of living is linked to the Dearness Allowance. We cannot be a party to make the developed nations to use this labour clause for protection of their own interests.

Another important thing is the multi-fibre agreement. It is in paragraph 15, which deals with textiles and clothings. I believe that issue has taken a back seat. It is not correct because textile and garment industry forms a major area is our exports. So, multi-fibre agreement should have been an important item on the agenda and we should have had some lobbying to ensure its passage. Unfortunately it has not been given that much importance as we expected from them. I do not blame the Minister that he has failed, but he should have been more aggressive to put this item on the agenda.

I congratulate the Minister for taking a stand on the global information technology infrastructure. I am glad that he has taken a stand. If he had not taken a stand, then, we would have been in for more problems. The earlier issue was an isolated one.

Another important point which has to come up in the agenda at the next meeting is regarding emergence of new trade blocs. You could not find a place for that item on this agenda. The multilateral fora are being used for trade negotiations and agreements. Of course, bilateral discussions can be there, bilateral agreements can be there. But multilateral trade negotiations would be better and more helpful. Unfortunately, a trend is being developed to have new regional trade groups or blocs. They are coming up. What is their position vis-a-vis WTO? What is the relationship between the two? It is a very important factor because the NAFTA has come wherein America, Canada and some Latin American countries like Mexico have come together. Similarly, the APEC has come. They have already told India, "You wait outside, we would call you in after some time." Of course, SAARC is there. I agree that SAARC is there. Apart from the World Trade Organisation, a new trend has developed, a kind of marriage has taken place between two or three nations on the basis of region. So, I believe it is an important issue which you have to take up. This issue should find a place in the agenda. The relationship between the WTO and the new trade block is a wheel within a wheel. The wheel within the wheel can derail the whole process of globalisation, the whole process of global trade interaction. It can derail the whole thing. Then, where do we stand? So, I believe it is a very important matter which India must take up.

The other issue which I believe to be taken up is...

SHRI SATISH AGARWAL (Rajasthan): This regional trade bloc has got recognition. That is why it finds a place there.

SHRI VAYALAR RAVI: That is what is worrying me. We regret for some more things also. When we are recognising that, it would create a problem and we would get isolated. That is why I have said, a wheel within a wheel. This is what happened. You cannot agree on this matter. They would prevail upon us, but you should not agree. My hon. friend, Shri Ashok Mitra, said, "Americans would prevail upon us." They can't do it. The WTO will have its law and it would prevail upon everyone.

I come to para 20. It goes with the same article 19 of the final document. It deals with investment competition. I agree with the decision to examine the relationship between trade and investment. Madam, the investment shall not be a weapon for extraction and exploitation. Unfortunately, the people who are having money power are trying to exploit by encouraging competition between the developed nations and the least developed nations. They are trying to exploit us. They are using trade as a weapon in their hands. Of course, you have agreed for a study and its results are going to come. But to what extent can we go? That is the question. This kind of exploitation by the developed countreis, encouraging competition between the developed countries and the least developed countries; and linking it with trade does not augur well for anybody. Naturally, every country wants more investment to flow in. Everyone wants to give more and more concessions to multinationals. More concessions, means more exploitation. More exploitation means, draining out resources of the poorer countries. The WTO cannot be a party to the exploitation of poor countries by the rich countries in the name of trade; and then linking it with investment. So, this is a matter of grave concern not only to our country, but also to other countries who look to India for leadership.

So, what is to be done? This is one of the major questions. I agree that at , Herewith our Prime Minister has made some kind of an observation. But here we need a total change in our diplomacy. We can't leave it only to the Ministry of

Commerce. This is not a matter to be left to the Ministry of Commerce alone. This is a matter to be dealt by the Government of India with different countries of the world. So, a total change in our diplomacy is required because of the changed scenario in the world.

Madam, Americans have shown themselves by their veto power.

Ghali has been vetoed out. They have showed to the world, warned the world, that they can appoint their own man. "Look, we have thrown away the Secretary-General. We have never even given him a second chance. So, obey our orders." This is the message that has gone to every international organisation. That is worrying me. There are many international organisations under the UN, including the WTO, the UNCTAD, etc. I can name many. The top men there, the secretaries, have been warned by the Americans by their throwing away Mr. Ghali. I do not want to make any comment on the new Secretary-General. But it is a negative approach of the Americans, negative approach of the United States. They have taken a negative approach by using the veto power because the former Secretary-General might not have danced to their tunes.

In this, background, we must approach the whole problem. We must remember what happened in the United Nations. We must remember the negative approach of using the veto power to block the continuation of the former Secretary-General. There must be a united effort by our diplomatic missions abroad. You sit quietly here for two years and then go for a ministerial conference. In between, a lot of things happen in this country, in the world. There are many interactions among different nations. Where do we stand today? Our diplomacy must be more effective. The whole outlook, the whole orientation, must be changed. What is the diplomacy today? Talk to them. Our diplomats are there, all IFS people. They prevent any public man from going as an ambassador. They prevent them, they go to the Press, they do everything.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): Kindly conclude now.

SHRI VAYALAR RAVI: Yes, Madam. I have only 25 minutes. I do not have much time. I will conclude.

The point I am making is, they have shifted from New York to Geneva. All the attention of the world is there because of the economic situation, globalisation. Our missions abroad have to change their attitude. They have to change their approach. These missions should have interaction with other countries and do, I should say, 'lobbying'. We must have interaction and lobbying to persuade them to understand the problems of the developing world and to make them understand that we shall not be subject to the exploitation of the multinationals through their governments. That is our motto.

In this respect, this is the first conference. You have mentioned about the consensus on the agreement. You have mentioned 'explicit consensus'. But the next meeting or the Ministers' Conference can overrule this. They can overlook this with the veto power of each member-country. This shall not exist even in the next meeting. In the next meeting, there will be a new decision. Mere 'consensus' or 'explicit expression' or anything of that sort would not count much. This is my fear. The next Ministers' Conference after two years can overrule this agreement. This is valid only for two years. Whatever we may agree on now, labour or whatever, may not stand good in next the meeting. Our efforts must be aggressive and must be very concentrated. We must try to win over as many countries as possible on our side. Then only we can reach our goal.

SHRI TRILOKI NATH CHATURVEDI: Thank you, Madam Vice-Chairperson.

Having been relegated to the background thrice, naturally, I find it a little bit confused because the subject itself is so confusing as is the statement of the Minister. The way the long-standing stand of the Government of India was reversed has really....

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): You do not have much time. So, kindly be concise.

SHRI TRILOKI NATH CHATURVEDI: We have 28 minutes.

THE VICE-CHAIRMAN (SHRIMATI KAMLA SINHA): There are three names and 27 minutes altogether. Madam, I will abide by your instructions. The country was taken aback by the stand taken by the Government of India at Singapour. There has been a reversal of the stand taken by the Government of India earlier I do not know whether this is a climb down or a capitulation due to the pressure of the United States, or for that matter, of any other country or because of lack of imaginative planning and preparedness, or because of the sad economic plight of the country which was described by the Railway Minister, as very serious. According to him, the country is sitting on an economic volcano. A reference to this statement was made by Shri Manmohan Singh and Shri Pranab Mukherjee, saying that we must view the reality, the GDP, foreign trade and so on. After forty years or so, it is nice to hear the former Ministers of the Congress party, speaking about the economic plight of the country, which had made it impossible for this country to stick to its own stand.

Secondly, it is very amazing to hear the kind of defence that is being advanced by the other side now in Govt. When they were sitting on this side of the House, they were criticising the Government. But now, when they are sitting on the Treasury Benches, they are speaking of other things. They are not speaking about the point at issue. I am not referring to Madam Chairperson. I am referring to the Minister of External Affairs, who was also the Chairman of the Standing Committee. Shri Manmohan Singh also lectured us on the morality play. He also spoke about the power equations. Yes, I agree with him on this score — the power equations abroad and the power equation within the House and within Parliament. That was apparent. I would also like to refer to the way in which Shri Manmohan Singh and Shri Pranab Mukherjee lent their subtle support to Ministerial declaration trying also to keep themselves a little bit away from what was being done. We also cannot forget the fact that at the time of signing of the Marrakesh Agreement, there was no discussion. There was a *hulla baloo* in this House at the time of signing the WTO Agreement, and most of the Members, who are sitting on the other side of the House today, also participated in that. Of course, it is not a morality play. I agree with that point. India has always spoken of the play of Moral forces and the moral stance of this country, and so on and so forth. But the pity is that the present Government is not a majority Government, and everything is attributed to thirteen parties constituting it. That is why there are differences among constituents. Everything is tried to be explained away by that particular fact as if this experiment itself has become somekind of a moral excuse for doing and not doing many things and for all the acts of omission and commission. Now, I would like to mention that it is unfortunate that the Prime Minister, who has always been speaking of consensus, who has always been speaking of working together for the development of the country, never thought it proper to take the leaders of various political parties into confidence as to what exactly we are going to do. If there are difficulties, what is our ultimate fall-back position? I wish it had been done. That is why I say it is not a morality play. But there are certain moral issues involved. I mean, the way in

which this issue is being talked about and the way in which it is being done behind the back of the country and the way in which it has been done. I wish the country and the Parliament had been taken into confidence a little bit earlier. I also belong to the forum of Parliamentarians which organised the international conference. My hon. friend, Shri Ashok Mitra, has already referred to the groups meeting with the Prime Minister and the assurance given by him. But I think, adherence to that assurance is also a moral question. A member of the Planning Commission was made the coordinator to liaise with them for the exchange of information because the Prime Minister is naturally quite busy.

Now the contentious issues are well known. It is not that they were not known earlier. Unfortunately, now this climb-down is tried to be justified and rationalised on different grounds that our friends deserted us, etc. If this Government is a sinking ship, naturally the rest will quit an nobody is going to remain with us. But is it a new phenomenon? Didn't you know it in Harare? Didn't you know it all along? Has this development taken place suddenly? That is the question which I want to put. After all, there were meetings with the representatives of various countries in Geneva during the preparatory meeting. A consultation was called. A meeting—I think it was called consultation—was summoned in Delhi to discuss with the representatives of developing countries. We read something in the Press. Of course, the Parliament was not taken into confidence. That is the reason why a supporting party, which is supporting from outside, a CPM member, Mr. Baby, was ultimately forced to come to this House with a Private Member's Bill that all the treaties should be subject to the sanction or ratification of this House. Why has he done it? Because you just try to do things at the back of the Parliament and of the people. This is the moral stand which you have taken.

Madam Chairperson, I would just like to read what the Prime Minister had said at Harare. I don't know whether this statement was prepared by the Ministry of Commerce or by the Ministry of External Affairs. My friend has said that there should be a fair amount of consultation with various Ministries. I thought it did take place. But one doesn't know how things are happening at the moment. I quote:

> "The recent efforts on the part of some developed countries to raise new and unrelated issues in the context of the forthcoming WTO conference needs to be stoutly registered. We cannot allow their agenda to be imposed on us."

This is our Prime Minister's statement at the forum of Harare, of course, for the consumption of the people at home. When they received these bold words they started thumping. I thought it was also adopted there, as the Press reported. Now the things have changed. I would like to the Minister of Commerce to tell us that core labour standards, investment, competition policy, etc., are issues which were beyond the purview of what your Prime Minister had said or what my Prime Minister had said. I will correct myself. They were beyond the purview of what the exhorted the world. He just gave an assurance to the people of this country. Did these not fall within that particular assurance?

Madam Chairperson, I would also like to mention that now this agreement is just tried to be explained away, as I said earlier, by saying that others have not stood by us. We should have known all this before. If we have to come to reality, we should come to reality. Why as this initial posturing? Why was this bold face? Why don't we face the reality? The Finance Minister says elsewhere, not in the Parliament, that it is an economic reality. Then, face it. Let all the constituents of the United Front faced the kind of reality accordingly.

Madam Chairperson, as I said a moment back, many of these things have happened because of the way in which the Marrakesh agreement was signed. But I don't want to go into the details of that. I just want to go into one or two items in this particular agreement. The first thing which I would like to mention is the question of labour standards. Our stand all along was that it should not find place in the Ministerial Declaration. Did it not find place in the Ministerial Declaration? If it is completely within the jurisdiction or within the ambit of ILO, why should it find a place here even in a negative way? It should have been dropped. I think that it the reason why the Finance Minister expressed his unhappiness in the other House or elsewhere.

I would like to draw the attention of the Commerce Minister towards his statement. The Declaration says, "We reject the use of Labour Standards for protectionist purposes." Of course, nobody says that the labour standards are being advanced for protecting the industry. No country would say so, not even the US. The Declaration says, "In this regard, we note that the WTO and ILO Secretariats will continue their existing collaboration." If one party has no *locus standi,* where is the question of its collaboration? Collaboration for what? Collaboration for imposing unfair labour standards on developing countries and try to erode whatever comparative advantage they might be having! That is what I am not able to understand. Madam, the primacy of the ILO is recognised. The ILO has been existing for umpteen years. As Shri Vayalar Ravi said, the way things are happening it gives an impression that it is one particular country at whose behest we are supposed to be acting, though we continue to deny it.

[The Deputy Chairman *in the chair*]

We do not condone child labour. Everybody is saying it is not that we have the minimum wages standards. But the difficulty is this. It is due to national discipline, not due to international compulsion that we want to conform to the correct labour standards and so on. This will crop up anytime in future. There will be another forum to force the question of labour standards.

Then another contentious issue is about cross border investment. India took a very strong stand at different places. If there is no control on the area of investment, utilisation of resources, regional imbalance, etc. What will happen to your planning? There is no control so far as the investment decision is concerned. This multilateral investment issue is being discussed in the European Union for the last two years. What are we doing about it.

THE DEPUTY CHAIRMAN: Mr. Chaturvedi, we have to send the Minister at 4 o'clock.

SHRI TRILOKI NATH CHATURVEDI: Madam, you can send the whole House. If the whole House and....

THE DEPUTY CHAIRMAN: There is no point in getting agitated. We have to abide by the time.

SHRI TRILOKI NATH CHATURVEDI: Madam, I don't want to waste your time.

THE DEPUTY CHAIRMAN: Not my time but the time of the House.

SHRI TRILOKI NATH CHATURVEDI: Madam, I would take a few minutes more.

THE DEPUTY CHAIRMAN: You have already taken so much time.

SHRI TRILOKI NATH CHATURVEDI: Madam, two groups have been set up on investment issues and competition policies. Now we have to take the study groups, somehow or other, as just the study groups. But it is very well pointed out that they are not for research purposes alone. In any international organisation or any organisation for that matter except in the Government of India, the term 'study' means that it is meant for

action. The ideas that are borne out of such a study must be translated into practice and they must concretise. Another funny thing is the phrase, "explicit consensus". I don't want to go into the dichotomy between 'explicit consensus' and 'implicit consensus or unanimity. It is an euphemism. The phrase "explicit consensus" is a figleaf, only to cover up our failure for some time. If we had insisted that it was the UNCTAD which was the right forum for trade and investment linkages, why bring in WTO as there would again be a collaboration between the two. One knows which one is powerful. It is the WTO which is now more powerful and not the UNCTAD. UNCTAD is after all the poor representative of the poor developing countries. That is why I said that it is not a mere research group and so on and so forth. We know what the ultimate result would be and what was being deviously manoeuvred by this Government. The WTO is really the rich men's club. That is why the International Chamber of Commerce was also quite active in the Uruguay Round and in Singapore. All these things must be taken into account. I would also like to mention about the MNCs and the borderless world of the MNCs that they have been talking about. A reference was made...*(Interruptions)*...

THE DEPUTY CHAIRMAN: Mr. Chaturvedi, your party's time is also over. And I have another Member from your party, Mr. Narendra Mohan.

THE LEADER OF THE OPPOSITION (SHRI SIKANDER BAKHT): Madam, I am prepared to go with you that the Minister has to go at 4.00 p.m. But I have checked up from the Table and some more time is available for us.

THE DEPUTY CHAIRMAN: Okay, I will strike down Mr. Narendra Mohan's name.

SHRI NARENDRA MOHAN: Madam, then you will be doing injustice to me.

THE DEPUTY CHAIRMAN: Then ask your colleague to sit down.

SHRI TRILOKI NATH CHATURVEDI: Madam, if you want, I will sit down.

THE DEPUTY CHAIRMAN: It is not the question, Mr. Chaturvedi. You are one of the Vice-Chairmen on the panel. The Minister has to go to the other House. I made an announcement about this. How many times do I have to explain to you? The Congress members took less time than what was allotted for them.

SHRI TRILOKI NATH CHATURVEDI: Then I will just sit down.

THE DEPUTY CHAIRMAN: Thank you very much. Now, Mr. Giri Prasad. It is all right. We have to take into consideration the time constraint also.

SHRI TRILOKI NATH CHATURVEDI: Madam, I am one of those who abide by the Chair's directives.

THE DEPUTY CHAIRMAN: Please don't argue.

SHRI TRILOKI NATH CHATURVEDI: But sometimes I also crave your indulgence.

श्री सिकन्दर बख्त: सदर साहिबा, इनको अपनी तकरीर पूरी करने दीजिए। ...(व्यवधान)...यह क्या हो रहा है? ...(व्यवधान)...

†[شری سکندر بخت: صدر صاحبہ۔ انکو اپنی تقریر پوری کرنے دیجئے۔ ...''مداخلت''... یہ کیا ہو رہا ہے۔ ...''مداخلت''...]

(THE DEPUTY CHAIRMAN: Bakht Saheb, he is speaking from 3.35 p.m. How much time has he taken? Shall I calculate? Everyday, they argue with the Chair for nothing.

SHRI TRILOKI NATH CHATURVEDI: It can be 'they', not 'I'.

†[ ] Transliteration in Arabic Script.

THE DEPUTY CHAIRMAN: Mr. Chaturvedi, you are one of the Vice-Chairmen and you are talking like this!

SYED SIBTEY RAZI (Uttar Pradesh): Madam, I am very sorry that a senior member of this House is behaving like this. He has thrown the papers. He cannot insult the House like this...(*Interruptions*)...Mr. Chaturvedi, it is our House. You cannot commit a contempt of this House. You have treated the House with contempt. You cannot do that.

SHRI TRILOKI NATH CHATURVEDI: I never do like that.

SYED SIBTEY RAZI: I have every right to take objection to such things. Mr. Chaturvedi, now can you throw the papers like that? Madam, I may humbly submit that we should not lose our temper like this. We should not argue with the Chair like this. Whatever the Chair does is in the interest of all of us. We should not behave like this. I am sorry, Mr. Chaturvedi, you lose your temper whenever you speak.

THE DEPUTY CHAIRMAN: Mr. Chaturvedi, you had already taken 26 minutes of your party's 27 minutes.

SYED SIBTEY RAZI: How can you treat the Chair with contempt? I am very sorry.

SHRI V. NARAYANASAMY (Pondicherry): Madam, the hon. Member has thrown the papers. He cannot throw the papers. It is a disrespect to the House.

THE DEPUTY CHAIRMAN: This is the way. People are watching what we are doing. This is not my problem.

SHRI TRILOKI NATH CHATURVEDI: Madam, I never meant any disrespect to the House or to the Chair.

SHRI SATISH AGARWAL: Madam, he has never thrown any papers.

SHRI TRILOKI NATH CHATURVEDI: I am the last person to show disrespect to the Chair...(*Interruptions*)...

SHRI V. NARAYANASAMY: He cannot throw the papers like that. I am very sorry to say this. Other hon. Members had taken notice of it. You enquire from them. He has thrown the papers.

THE DEPUTY CHAIRMAN: Well, all that I wanted to say was that he had taken 26 minutes of the party's 27 minutes. Am I wrong in saying that?

SHRI TRILOKI NATH CHATURVEDI: Madam, you can never be wrong.

THE DEPUTY CHAIRMAN: It is not that. It is the Secretariat which notes the time taken by every speaker. Mr. Chaturvedi, do you think you can misinterpret the Secretariat along with the Chair? It is very unfortunate. It is not my time. It is the commitment that we gave to the other House. The Minister has to go. The other House also has listed this discussion. I requested Sikander Bakht Saheb. I called him to my room and I said if he could reply in time, he could go to the other House. Did I not ask you, Mr. Sikander Bakht?

SHRI SIKANDER BAKHT: Yes.

THE DEPUTY CHAIRMAN: Yes, I did ask you. And Mr. Giri Prasad also has to speak. He is a Member of this House. He has a right to make his party's point of view. Do you want to take away his right also? He is very much a Member of this House. It is very funny that everybody thinks that he only has a right to speak.

SHRI TRILOKI NATH CHATURVEDI: The whole trouble is, when there are people from this side of the House, it becomes funny.

THE DEPUTY CHAIRMAN: No. Mr. Ashok Mitra is the only one who spoke and his party had registered three

Members' names. But I said "No" and Dr. Biplab Dasgupta and Shri Jibon Roy withdrew their names. *(Interruptions)* All right.

SHRI N. GIRI PRASAD: Madam,...

THE DEPUTY CHAIRMAN: One minute. I am going to be strict. You please speak now.

SHRI N. GIRI PRASAD (Andhra Pradesh): Madam, I don't know how far I can make myself clear in this surcharged atmosphere.

THE DEPUTY CHAIRMAN: The atmosphere is always surcharged, not me. I am always cooperative.

SHRI N. GIRI PRASAD: After reading the statement of the hon. Minister, I have a feeling. The delegation perhaps must have done a good job in a bad situation. That is how it appears, because high hopes were raised about our country's stand at the Singapore Ministerial Conference in the background of what happened at Harare Conference. Mr. Chaturvedi mentioned about the Prime Minister's speech here. I also read it. Not only our Prime Minister, but leaders from Zimbabwe and Malaysia also supported it. The G-15 countries wanted to face the WTO's Ministerial Conference with confidence and they were determined not to allow any discussion on extraneous matters. But anyhow, since the world is divided between rich and poor, between haves and havenots, between privileged and non-privileged, between exploiters and exploited, we were naturally at a disadvantage. Unless all the developing countries stand together and take a common stand against exploitation or bullying tactics of the stronger powers or the developed countries, such compromises may have to be made. I am sure if one goes through the declaration, one will find that it is a compromise document. On certain issues, we had to agree. First of all, they wanted to bring the labour standards' into this organisation. Our countries were resisting. But the very fact that a big chapter was included in the declaration makes it a departure that the WTO is also in one way or the other connected with the labour standards. So, this is a reality. In future declarations, future arrangements or discussions, this problem will come up in one way or the other. But more than the inclusion of this para, I am concerned about two aspects. We renewed our commitment to the observance of internationally recognised core labour problems. So, now it has become a part of the WTO. You cannot bypass it because it has been included in the declaration. Secondly, the WTO and the ILO secretariats will continue their existing collaboration. So, while saying that the ILO is the supreme authority in dealing with labour matters, the WTO has also been brought into the picture. That is why, we will be concerned about the future eventualities, how they affect our country and the other developing countries.

The next point is about investments. This is one issue on which we were all agreed that investment should be connected with trade. So, they brought out one obscure clause in the TRIMS agreement and it was brought under this. Now, there is no difference whether this is brought under the TRIMS or is kept independent of it.

4.00 P.M.

They have brought it and appointed a study group. Madam, recently I read one of the UNCTAD Secretary-General, Rubens Ricupero in which it was said, "The WTO is a contractual body. Even a discussion there would mean a commitment." So, here it is only a discussion, but this is a part of the declaration. This is a commitment. What study will be there after the study reports come out? What conclusions will be drawn and in what way would these developments or investments be dragged on to trade matters? So, all these problems will be there. Moreover, when the Uruguay Round of discussions

started, we started only with one or two old items. But, now they have added intellectual property rights, investment clause, environment clause, labour standards, etc. The WTO is becoming a big organisation encompassing so may things. That is why our country must be careful about these matters. Here I would like to point out one or two importants things. One is about the political management of this matter. Madam, there may be broad agreements because nothing more could be done, what our delegation could do, but our Government has failed in convening an all-party meeting, in this regard. At least, there should have been a broad consensus. As far as I am concerned, I was under the impression that the Harare spirit will continue there. But, some other spirit has come and some compromise has to be made, some countries have to be accommodated and our friends also had a different perception there. We were never taken into confidence in this matter—neither the Parliament nor the political parties. Shri Ashok Mitra was saying that there was some co-ordinator there. I don't know about any such co-ordinator and they were not co-ordinating with us. If they are co-ordinating with some other people, let them tell who those great co-ordinators are.

SHRI ASHOK MITRA: One minute. I can clarify it.

SHRI N. GIRI PRASAD: Excuse me. you can clarify later on.

SHRI ASHOK MITRA: ... Co-ordinator was not allowed to function. ...*(Interruptions)*...

SHRI N. GIRI PRASAD: Anyhow, this sort of discrimination between co-ordinators and non-coordinators should not be there. If the Government wants to authorise one Minister to co-ordinate with all parties and the Parliament, I have no objection to it. But, nothing has happened Keeping all these things in mind, we are in a great disadvantageous position and we cannot exercise all our rights and we cannot achieve all these things. I think the Prime Minister and the Government should take everybody into confidence so that they can carry on this agenda as far as international matters, trade matters, ecological matters and national matters are concerned. There should be no division between parties. They can take a collective stand in the interest of the country. Madam, I think the Government would learn a lesson from this unnecessary division that has taken place, and see that there is better co-ordination with Members of Parliament and political parties.

THE DEPUTY CHAIRMAN: Mr. Minister.

SHRI NARENDRA MOHAN: Madam, is it not possible to give me two-three minutes?

THE DEPUTY CHAIRMAN: Well, I don't know, because the problem is not mine. I have no problem if you sit through the whole night and discuss such an important issue. You should understand that right from the beginning, I had requested for abiding by the time. I had requested every political party in writing, please abide by your time. ...*(Interruptions)*... This is not the way, Sikander Bakht Saheb. The way your Members spoke to the Chair was very hurting. Anyway, it is nice afterwards you say... *(Interruptions)*...

SHRI SIKANDER BAKHT: Actually, I am hurt in speaking...

आप हर्ट्स का जिक्र करना शुरू करेंगी तो दास्तान बहुत लंबी हो जाएगी ...(व्यवधान)

†[شری سکندر بخت : آپ ہرٹس کا ذکر کرنا شروع کریں گی تو داستان بہت لمبی ہو جائیگی۔ ۔ ۔ "مداخلت"۔ ۔ ۔]

†[ ] Transliteration in Arabic Script.

उपसभापति: नहीं, मैं तो जिक्र ही नहीं करती। आप बैठ जाएं तो बेहतर है।

It is much nicer, if you sit down. ...Interruptions)... Don't scratch it. *...(Interruptions)...* All Right, I will ask the Minister to reply. If you want to stretch the point, then fine. If you want co-operation, then you should co-operate with the Chair and not sit with such glum features. I don't sit with such glum features. I like to run the House with everybody's co-operation for the sake of proper discussion. I am not discussing anything for me. I left my meeting and came here. Let him speak for two minutes.

श्री नरेन्द्र मोहन (उत्तर प्रदेश): उपसभापति महोदया, मैं आपका कृतज्ञ हूं कि आपने मुझे समय दिया। मेरी समझ में एक बात नहीं आई कि हमारे व्यापार और वाणिज्य मंत्री किस उद्देश्य को लेकर के सिंगापुर गए थे। क्या वह इस उद्देश्य को लेकर गए थे कि बहुराष्ट्रीय कम्पनियों का हित साधन करना है या इस उद्देश्य को लेकर के गए थे कि भारत का व्यापार कैसे बढ़े। अगर इस उद्देश्य को लेकर के वह सिंगापुर गए थे कि भारत का व्यापार कैसे बढ़े, तो निश्चित रूप से वह बिल्कुल असफल रहे हैं, बुरी तरह से असफल रहे हैं। यह पहली बार हुआ है इस देश में जबकि जो कार्य संसद को करना चाहिये वह संसद से बिना पूछे मंत्री जी ने सिंगापुर में जाकर के कर दिया। यह निर्णय कौन करेगा? भारत की संसद करेगी कि हमारी श्रम नीति क्या हो, हमारे श्रम मानक क्या हो, हमारी पर्यावरण नीति क्या हो, यह निर्णय संसद को करना है, यह निर्णय विश्व व्यापार संगठन नहीं कर सकता। यह निर्णय बहुराष्ट्रीय कम्पनियां नहीं कर सकती। लेकिन दुर्भाग्य है देश का कि आप वहां गए और एक ऐसे दस्तावेज पर हस्ताक्षर कर दिए जिसकी वजह से देश बहुराष्ट्रीय कम्पनियों की गुलामी में पहुंच सकता है। इस बहुराष्ट्रीय कम्पनी की गुलामी से बचाने के लिए यह आवश्यक था कि आप उन बातों को नहीं मानते जो बातें भारत सरकार, जो बातें हमारे प्रधान मंत्री एक लम्बे अरसे से कहते चले आ रहे हैं कि हम श्रम मानकों के मामले में, हम पर्यावरण के मामले में, हम किसी भी तरह से कोई और बातों को स्वीकार नहीं करेंगे, अपने अधिकार नहीं छोड़ेंगे, वह अधिकार आपने छोड़ दिए । हमें इतना ही कहना है। उपसभापति महोदया, आपने हमें समय दिया, मैं आपका बहुत आभारी हूं। बहुत-बहुत धन्यवाद।

उपसभापति: मंत्री जी, जवाब दीजिए। इनकी बात का जरूर दे दीजिएगा।

(SHRI BOLLA BULLI RAMAIAH): Thank you, Deputy Chairperson. Madam, the first question was posed by Dr. Manmohan Singh. I am extremely thankful to him because he has given an excellent presentation. He has explained the circumstances in which the country is. He has particularly referred to labour standards in his presentation. He has also explained the condition under which we had to do it. In addition to what he said, I want to make one more point. I have mentioned it in my statement also. The Chairman of the WTO Conference in Singapore also issued a statement. It is in relation to para 4 it says, "We have agreed on a text which sets out a balanced framework as to how this matter should be dealt with." The first text says, "The International Labour Organisation is the competent body to set and deal with these standards." Secondly, it rejects the use of labour standards for protectionist purposes. This is an important safeguard for the multilateral trading system Thirdly,—this point is important in relation to developing countries—it agrees that the comparative advantage of countries, particularly, low-wage developing countries, must in no way be put into question. Fourthly, it is said taht it does not inscribe the relation between trade and the core labour standards on WTO agenda. Fifthly, it says in the text that there is no organisation in the text for new wok on this issue. It further says that the WTO and the ILO Secretariats will exist in collaboration like other international organisations. This collaboration has the mandate of two organisations. Some delegates expressed concern that this would lead to acquire to the WTO the competitiveness for undertaking work in relation to trade and core labour standards. The Chairperson of the Singapore Conference said, "I want to assure the delegates that this text will not permit such a development." This reaffirms the circumstances under which we had to

agree to it. I explained earlier also the circumstances in which we had to do it. Earlier the country had to sit down and finally at the last minute we had to stand up to safeguard our interest. We had done so only after the statement of the Chairperson of the Conference.

The second thing is the question of multilateral investments. This is also an important issue. Dr. Manmohan Singh not only emphasised this issue, but he also agreed that this is what happens. This was in spite of our best efforts to block it. The G-15 countries also came back to us and said that under certain circumstances, they had to agree. This is because of Article 9 of the TRIMS Agreement which says:...'not later than five years from the date of entry into force of the WTO Agreement'. It says: 'The Council of Trade in goods shall reviews the operation of the agreement...'

In the course of this review, the Council of Trade in goods shall consider whether the agreement should be supplemented, or, 'the provisions of the agreement is a complete policy'.

On the other hand, we are trying to protect the statement. While agreeing to this, we have made it very clear that under the WTO Agreement and the provisions thereunder, the study would not lead to any negotiations without a fresh, explicit, consensus; it was not there in the earlier one. That is why we added this in order to safeguard this particular proposal. India not only fully observed, but also strengthened the provision regarding any future agreement in this sensitive area of investments.

These were the two items on which there was a lot of discussion. I have explained as to under what circumstances some of these things have been done.

Mr. Ashok Mitra, while making various comments, referred to the Harare Conference also. I would like to bring this to the notice of the House. It may be noticed that the Singapore Declaration was concluded with agreement among all members of the G-15. In fact, several meetings of the G-15 were conducted at Singapore, under the Chairmanship of the Malaysian Trade Minister.

With regard to trade and investment relationship, the G-15 Declaration said as follows: "Trade and investment relationship is of a multifaceted nature, encompassing, *inter alia,* issues of technology transfer, industrialisation and national development objectives. It is necessary to lay the ground for a consensus-building, in a forum such as the UNCTAD, to determine the implications for the developing countries and arrive at a consensus before embarking on any rule-making". Now, in the Singapore Declaration, we have ensured that there would be no further action in embarking on rule-making without explicit consensus by all members. The study would be undertaken within the provisions of the existing WTO Agreement and the UNCTAD wold play a major role in providing inputs.

With regard to the competition policy, the Harare Declaration said: "There is, therefore, a basis for further analytical work and clarification of this interference, in preparation for negotiating a possible multilateral instrumet." It may be noticed that as in the case of investments, only a study has been initiated and there would be no progress towards negotiations without an explicit consensus.

With regard to labour standards, the Harare Declaration said: "The issue clearly falls within the mandate and specific competence of the International Labour Organisation". This has been recognised in the Singapore Declaration.

Mr. Ashok Mitra also said that the views of the Forum of Parliamentarians was not taken into account. In this connection, I would like to bring to the notice of the House that the Forum of Parliamentarians on Intellectual Property and the National Working Group on

Patents organised an international conference on 'The New Patent System and Investment Regime and Emerging Issues at the WTO' on the 14th and 15th November. The Forum gave the following suggestions regarding the WTO Ministerial Meeting at Singapore:

The scope of the WTO should not be enlarged. The developing countries must, therefore, reject any proposal of putting on the agenda of he Singapore meeting of the WTO, in regard to a new multilateral agreement on investments. Then, new rights must not be created in the farm sector to circumvent the right to use and multiplication of seeds.

Madam, these concerns have been fully met. The scope of the WTO has not been enlarged. A new multilateral agreemet on investment has not been put on the agenda of the WTO. Only a study within the provisions of the WTO Agreement has been mandated. It is also stipulated that there would be no initiation of any negotiation on this matter, without an explicit consensus. Then, new rights have not been created in the farm sector.

These are some of the issues on which Members have expressed their opinion.

There is one more thing which I would like to mention here. This is concerning textiles. This point also has bene referred to by some. Concern has been expressed that the Agreement on Textiles and clothing — ATC — was not being implemented by the textile importing countries fully and faithfully. The Declaration of the Ministers reaffirmed their commitment in full and faithful implementation of the ATC. They have stressed the importance of integrating textiles and clothing products with the provisions of the GATT. They have committed themselves to use the safeguard measures as sparingly as possible and within the provisions of the ATC. They have agreed that the Textile Monitoring Body, which is a quasi-judicial body, shall achieve transparency in its findings and recommendations. It has also been determined that the Council of Trade Goods shall oversee the functions of the ATC. Madam, these are the main items on which a number of people have addressed. I would mention only one more item.

Mr. Malkani has mentioned that the Commerce Secretary is not happy nor has he agreed with these things. I want to bring it to your notice that it is really he who had participated right from the beginning and he has participated throughout and has been involved in all the discussions and is fully satisfied that he is part and parcel of it. He has never said that he has not agreed with these things and he is not unhappy about it. He has done all the job along with us. That he said it was not part of his job about which the hon. Member has mentioned. *...(Interruptions)...*

SHRI K.R. MALKANI: This is the press report. *...(Interruptions)...*

SHRI SATISH AGARWAL: What about the Finance Minister? *...(Interruptions)...*

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): In the Lok Sabha I said, based on information received from Singapore, that the Minister was making a statement expressing unhappiness about the formulations. As I finally read the press statement, the Minister said he would have been happier if the studies on UNCTAD had taken place. I said he was unhappy that the studies on UNCTAD had not taken place. I don't see any great distinction between "unhappy" and "would have been happier".

SHRI BOLLA BULLI RAMAIAH: One more point before I conclude because I have a clarification to give on this statement about India not joining the Information Technology Agreement. We have examined it thoroughly. We would like to see if it is in the interests of the country and if we will be able to meet all the requirments as per the negotiations with them because they wanted 100 per cent by the year 2000 A.D. We said that all the components and all these things

should be deferred. We examined it with the Electronics Department people and found that they have not been able to fulfil all the obligations. So we said that until they are able to make a provisions for us to see that we have a sufficient amount of negotiating option, we will not be able to sign it. This is what has happened. That is why we were able to get the option but, at the same time, we reserved it and we did not sign the Information Technology Agreement.

Madam, these are the various issues on which quite a number of comments have come from different levels. Though I am not able to answer every one individually because I have to attend the Lok Sabha, I am thankful to all of you for your comments and I hope you are satisfied. *...(Interruptions)...*

SHRI VAYALAR RAVI: What are the implications? You said about the ATC. There is a multi-fibre agreement. Clause 15 is vague. Even though you mentioned about TMB as well as the Council for Trade in Goods, it is vague. That is my point. Clause 15 of the agreement is affecting them.

SHRI BOLLA BULLI RAMAIAH: I think we have done the maximum possible.

SHRI SATISH AGARWAL: That is true, but. *...(Interruptions)...*

THE DEPUTY CHAIRMAN: Now, please. Let him finish and go. We can't go on asking questions. *...(Interruptions)...* Then let him come back and answer!

SHRI SIKANDER BAKHT: Madam, the Government has totally failed to justify its surrender at Singapore.

THE SATISH AGARWAL: It was a sell-out.

SHRI SIKANDER BAKHT: It was a sell-out of our economic sovereignty. *...(Interruptions)...*

SHRI BOLLA BULLI RAMAIAH: Madam, we expect that the TMB shall make findings and recommendations whenever called upon to do so under the agreement. We emphasised the responsibility of the Goods Council to oversee, in accordance with article 45 of the WTO Agreement and article 8 of the ATC, the functioning of the ATC, whose implementation is being supervised by the TMB. *...(Interruptions)...*

SHRI SIKANDER BAKHT: The Government has totally failed to justify its surrender at Singapore. Our economic sovereignty has been compromised. We walk out in protest against the Government's failure.

SHRI SATISH AGARWAL: It is a complete sell-out at Singapore so far as our economic sovereignty is concerned. *...(Interruptions)...*

(At this stage, some hon. Memebrs left the Chamber)

THE PRIME MINISTER (SHRI H.D. DEVE GOWDA): Madam...

THE DEPUTY CHAIRMAN: Yes, Mr. Prime Minister?

SHRI H.D. DEVE GOWDA: Madam, with your kind permission, I will take two or three minutes.

THE DEPUTY CHAIRMAN: Sure.

SHRI H.D. DEVE GOWDA: The senior Member there has mentioned that the Prime Minister had taken the stand in Harare that new unrelated issues should be resisted in the Singapore Ministerial Conference. I would like to clarify only this point. All G-15 countries took a decision in Harare that under no circumstances should we allow any new issues to be taken up, issues which were not covered under the Uruguay Agreement or the GATT Agreement, to be discussed in the Ministerial Conference in Singapore, that we must resist any new issue that is going to be taken up by the Ministerial Conference. This was the stand taken unanimously by all the G-15 countries.

Hon. Deputy Chairman, I would like to clarify the position. They have criticised that the country's sovereignty has been sold out because this is a Govern-

ment run by 13 parties. All this is known. At least this Government is there for six-and-a-half months: your Government was there only for 13 days. Don't argue on those lines. I can hit back in a better manner. Don't be under the impression that I am going to run away without giving a proper retaliation. Don't try to enjoy or take pleasure by saying that this Government is of 13 parties, 14 parties or 15 parties. This Government is a Government which has got legitimacy. This Government has got the confidence of the House, both the Houses. So long as this Government does not lose it, it has got every right to function. I do not want any sermons to be preached by anybody on this issue.

प्रो॰ विजय कुमार मल्होत्राः अपने सपोर्टर्स से पूछिए।

SHRI H.D. DEVE GOWDA: I know that. I will just read out...

श्री विजय कुमार मल्होत्राः हमने इतना क्रिटिसाइज नहीं किया जितना कि आपके सपोर्टर्स ने किया। सी॰पी॰आई॰ और सी॰पी॰एम॰ ने किया।

THE DEPUTY CHAIRMAN: This is not the way. ....*(Interruptions)* Please.

SHRI H.D. DEVE GOWDA: I will just read it out for the benefit of the House. What is Article 9? I will quote article 9 of the Agreement or trade related investment measures of the Uruguay Round a little later.

The issue they wanted to include in the Ministerial Conference was outside the purview of the Uruguay Round Agreement and we had all collectively taken the decision to resist it at any cost. It reads:

> "Not later than five years after the date of entry into force of the WTO Agreement, the Council for Trade in Goods shall review the operation of this Agreement and, as appropriate, propose to the Ministerial Conference amendments to its text. In the course of this review, the Council for Trade in Goods shall consider whether the Agreement should be complemented with provisions on investment policy and competition policy."

This is the Agreement.

And what is the decision today in the Ministerial Declaration? I do not want to go into the details. It has been mentioned that the Ministerial declaration is going to harm the country's interests and the sovereignty of the country. In the Ministerial Declaration the words used are that there should be "explicit consensus". If voting had taken place, India would have been alone, with 129 countries on the other side. If we want to walk out or if we want to press for voting, except India all others are on one side. At every round our Commerce Secretary was contacting Delhi apprising us of the position. He said that he was trying to persuade all the G-7 countries. He told us that they had changed their position from what they had taken at Harare. He asked us what to do now. Shall we press for voting or walk out? Under the given situation we tried to do our best. Even on the labour issue, I will give here the opionion of several newspapers. It is not my opinion. If I quote this, it should not be taken that I am trying to justify the stand taken by our country at the Ministerial Conference. I would just like to mention this. "Revolutions are not made in a Conference. — Financial Express."

SHRI ASHOK MITRA: Madam, I think the Prime Minister is a little unfair. We should not go by what newspapers say. Why don't you argue on your own?

THE DEPUTY CHAIRMAN: I am not allowing you. The Prime Minister is speaking. Mr. Mitra, please sit down. *(Interruptions)* This is not the way. You are a senior Member of this House.

SHRI ASHOK MITRA: I protest....

THE DEPUTY CHAIRMAN: You may protest, but, please sit down.

SHRI ASHOK MITRA: On this you should not tell us what newspapers say.

We are as much intelligent as newspapers are.

THE DEPUTY CHAIRMAN: Mr. Ashok Mitra, please sit down. Nothing is going on record. Let him sit down. This is not the way.

SHRI ASHOK MITRA: *(Interruptions)....* *

THE DEPUTY CHAIRMAN: Mr. Ashok Mitra, you are a senior Member. I say, please sit down.

SHRI ASHOK MITRA: *(Interruptions)* *

THE DEPUTY CHAIRMAN: You should have the patience to listen to others. That is what democracy means. When you were speaking, nobody disturbed you. Now, when the Prime Minister is speaking, you should sit down.

SHRI ASHOK MITRA: *(Interruptions)*

THE DEPUTY CHAIRMAN: Please sit down.

SHRI H.D. DEVE GOWDA: We have taken this stand to see that the labour interest is protected. According to our own understanding, we have not allowed even the Ministerial Declaration to in any way come in the way of labour interest. That has been protected by this Government. Secondly, the other issue is that....

SHRI JIBON ROY: Madam, ...

THE DEPUTY CHAIRMAN: No, Mr. Jibon Roy. It is very unfair that the Members do not know when to speak.

SHRI H.D. DEVE GOWDA: If we only go by the views of the Members, we should not have agreed even in the Ministerial Declaration. Then India would have been isolated. *(Interruptions)* When you agreed to sign the Uruguay Agreement in 1994, I was also a Member of Parliament at that time. I was a member of the Standing Committee of Parliament on Commerce. You were the Chairman. I know what recommendation was given. I do not want to go into details now. If you want to walk out or isolate yourself....

SHRI RAM NATH KOVIND: If anybody is isolated, it is you. You are isolated. *(Interruptions)*

THE DEPUTY CHAIRMAN: Just one minute please. Just because you have a loud voice it does not mean that you can run the House like this. I am not allowing you. Please sit down. Let the Prime Minister finish and sit down. Then I will allow any one of you. This is the dignity of the House. Please remember this. Let him speak and finish it. Don't interrupt him.

श्री सिकन्दर बख्त: सदर साहेबा, मैं एक चीज कहना चाहता हूं। प्राइम मिनिस्टर साहब बैठे हुए हैं। मैं खाली यह पूछना चाहता हूं (व्यवधान)

†[श्री सिकन्दर बख्त: सदर साहेबा - मैं एक चीज कहना चाहता हूं। प्राइम मिनिस्टर साहब बैठे हुए हैं। मैं खाली यह पूछना चाहता हूं (व्यवधान)...मुदाखलत"...]

मैं पूछ रहा हूं सदर साहिबा आपसे

†[श्री सिकन्दर बख्त "जारी": मैं पूछ रहा हूं सदर साहिबा आपसे...]

Is he reopening the subject?

उपसभापति: I will reply. आप बैठिए तो।

श्री सिकन्दर बख्त: मैं पूछ रहा हूं ...(व्यवधान)

†[श्री सिकन्दर बख्त: मैं पूछ रहा हूं ...मुदाखलत"...]

*Not Recorded.

†[ ] Transliteration in Arabic Script.

THE DEPUTY CHAIRMAN: How can I reply when you are standing? Please sit down. Then I will reply. After you have staged a walk-out, the Prime Minister wanted to speak for three minutes. I have permitted him to speak. I think I am within my right to permit the Prime Minister to speak. ...*(Interruptions)*...

THE PRIME MINISTER (SHRI H. D. DEVE GOWDA): You have dragged my name. That is why I am clarifying. ...*(Interruptions)*...

SHRI SIKANDER BAKHT: Do you want us to walk out again?

THE DEPUTY CHAIRMAN: It is entirely up to you.

(At this stage some hon. Members left the Chamber)

श्री वसीम अहमद: आप लोग यही करते रहिए।

THE DEPUTY CHAIRMAN: The Prime Minister has a right to speak. If he wanted to speak at any time, it is his right to speak.

SHRI H. D. DEVE GOWDA: In 1998, as per this decision, if there is no expression of consensus decision, even at that time, we can take our own stand whether to walk out or to vote against it, against 127 countries single-handedly, as one nation. Nobody can take away from us that right. So, under the given situation, we will try our best to convince G-15 countries to cooperate with us on this so that at least a modified solution can be found which will be in the best interest of the country. That is what I have to say. Thank you very much.

SHRI ASHOK MITRA: You have been wrongly advised.

SHRI H. D. DEVE GOWDA: If somebody advises me, you can also advise me. I am not an expert. Who is going to advise what, I know.

THE COMPANIES (AMENDMENT) BILL, 1996

THE MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM): Madam Deputy Chairman, I move:

"That the Bill further to amend the Companies Act, 1956, be taken into consideration."

I had mentioned in my Budget Speech on 22nd July, 1996 that the Companies Act, 1956 needs to be re-written comprehensively. I have therefore, already set-up a Working Group to re-draft the Companies Act with persons having knowledge of law, economics and company affairs. I intend to make available the redrafted version of the Companies Act for public debate before coming to the House with a new Bill. I would like to emphasise that re-writing of the Companies Act is an extensive exercise covering all aspects of the Act. Thus, the recodification exercise is likely to take time before the new Act comes into operation.

I had also indicated in my Budget Speech that I propose to introduce some urgent amendments to the present Companies Act, Accordingly, I introduced the Companies (Amendment) Bill, 1996 in the Rajya Sabha on 10th September, 1996 and it was referred to the Standing Committee on House Affiars, which has already presented its report on the Bill to both the Houses of Parliament on 26th November, 1996. I assume that hon. Members had an opportunity to read the Report of the Standing Committee.

The Bill seeks to carry out some urgent amendments in the Act in the interest of the depositors, investors, employees in the case of winding up of a company and simplification of some procedural and legal requirements in the interest of the corporate sector. The proposed amendments will bring relief to these sections in the following manner.

(i) The companies will not longer be required to seek confirmation of the Company Law Board for